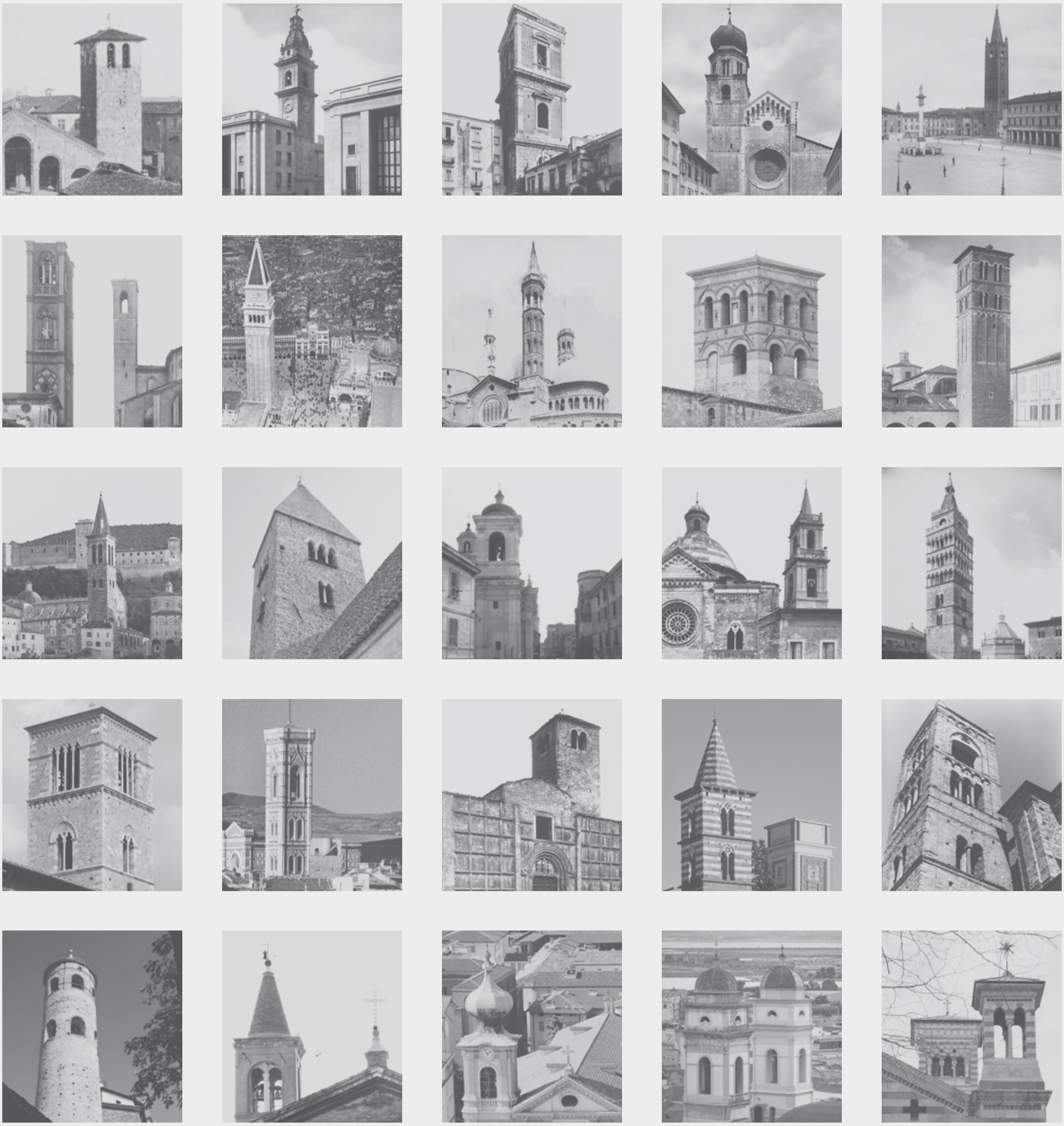
INTESA SANPAOLO

Shareholders' Meeting
28 and 30 April 2010



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Intesa Sanpaolo S.p.A.

Shareholders' Meeting
28 and 30 April 2010

Agenda of the Meeting

1. Proposal for allocation of net income for financial year ended 31 December 2009 and for dividend distribution;
2. Determination of the number of Supervisory Board members for financial years 2010/2011/2012;
3. Appointment of Supervisory Board members for financial years 2010/2011/2012 (on the basis of lists of candidates submitted by Shareholders, pursuant to art. 23 of the Articles of Association);
4. Election of the Chairman and Deputy Chairmen of the Supervisory Board for financial years 2010/2011/2012 (pursuant to art. 23.8 of the Articles of Association);
5. Determination of remuneration due to Supervisory Board members (pursuant to art. 23.13 of the Articles of Association);
6. Policies on remuneration due to Management Board members;
7. Share-based long term incentive plans.

Report of the Management Board
Item 1 on the agenda

Proposal for allocation of net income for financial year ended 31 December 2009 and for dividend distribution

Distinguished Shareholders,

Pursuant to article 2364 bis of the Italian Civil Code and articles 7.3 and 28.3 of the Company's Articles of Association, we submit to Your approval the proposal for the allocation of net income for financial year 1 January – 31 December 2009. Therefore, we propose a distribution of dividends in respect of currently outstanding shares as follows: 0.091 euro per non-convertible savings share and 0.08 euro per ordinary share. As a result, the net income of 1,843,432,100.51 euro would be allocated as follows:

	(euro)
Net income for the period	1,843,432,100.51
Assignment of a dividend of 0.091 euro (determined pursuant to Art. 28 of the Articles of Association) for each of the 932,490,561 savings shares, for a total disbursement of	84,856,641.05
Assignment of a dividend of 0.080 euro for each of the 11,849,332,367 ordinary shares, for a total disbursement of	947,946,589.36
For a total disbursement for dividends of	1,032,803,230.41
Assignment to the Allowance for charitable, social and cultural contributions	10,000,000.00
Assignment to the Extraordinary reserve of the residual net income(*)	800,628,870.10

The proposed allocation of net income makes it possible to remunerate shareholders consistently with sustainable profitability and the strengthening of the Group's capital structure (if this proposal is approved, the Core tier 1 capital ratio would be more than 7%, the tier 1 would be 8.4% and the total capital ratio would come to 11.8%), in line with the guidelines issued by the International Organisations and the Supervisory Authority.
We propose that the dividend be made payable, in compliance with legal provisions, as of 27 May 2010, with detachment of the coupon on 24 May 2010.

Pursuant to art. 6, paragraph 1, letter a) of Legislative Decree no. 38/2005, a portion of net income corresponding to capital gains recognised in the income statement, net of the related tax charge, arising from application of the fair value criterion, must be recorded in an unavailable reserve. As at 31 December 2009 such amount was 48,646,747.94 euro.

If the proposal for the allocation of net income obtains Your approval, the resulting shareholders' equity of Intesa Sanpaolo S.p.A. will be as indicated in the table below.

(*) Please remind (see Notes to the financial statements – Part I) that on 14 November 2005 the Board of Directors of Sanpaolo IMI launched a stock option plan, acting on the mandate given to it by the Shareholders' Meeting of 30 April 2002, in favour of 48 Group executives. This plan, as redefined after the merger following the resolution of the Shareholders' Meeting of 1 December 2006, provides for the assignment of a total of 30,059,750 options for the subscription of ordinary shares, exercisable after approval of the 2008 financial statements and not later than 30 April 2012 at a strike price of 3.9511 euro.
Although highly unlikely given the current stock market prices of the ordinary share, if one or more of the option holders were to exercise their option rights by 16 April 2010 by subscribing ordinary shares carrying regular rights, the subscriber(s) would be entitled to receive the dividend for 2009, payable at 0.08 euro per share; in this case, the total dividend disbursement would need to be recalculated and raised by the Shareholders' Meeting, with the assignment to the extraordinary reserve lowered by the same amount.

N.B.: as no option holder exercised its right to subscribe new shares within the aforementioned date, no changes were made to the Proposals to the Shareholders' Meeting. *(Note added after approval of the Annual Report 2009 by the Supervisory Board on 12 April 2010).*

(millions of euro)

Shareholders' equity	Annual report 2009	Change due to the allocation of 2009 net income	Share capital and reserves after the allocation of 2009 net income
Share capital			
- ordinary	*6,162*	-	*6,162*
- savings	*485*	-	*485*
Total share capital	**6,647**	**-**	**6,647**
Share premium reserve	33,271	-	33,271
Reserves	5,038	801	5,839
Valuation reserves	986	-	986
Treasury shares	-	-	-
Total reserves	**39,295**	**801**	**40,096**
TOTAL	**45,942**	**801**	**46,743**

19 March 2010

For the Management Board
The Chairman – Enrico Salza

Report of the Management Board
Item 2 on the agenda

Determination of the number of Supervisory Board members for financial years 2010/2011/2012

Distinguished Shareholders,

The Shareholders' Meeting summoned today marks the end of the term of office of the Supervisory Board appointed by the Ordinary Shareholders' Meeting on 1 December 2006 for financial years 2007/2008/2009.

In this regard, before adopting a resolution on the appointment of Supervisory Board members for financial years 2010/2011/2012, provided for under item 3 on the agenda of the Shareholders' Meeting, it's necessary to decide on the number of members that will sit on the next Supervisory Board.

On this point, we should like to remind you that, pursuant to Article 22.1 of the Articles of Association, "The Supervisory Board is composed of a minimum of 15 (fifteen) and a maximum of 21 (twenty-one) members, including non shareholders, appointed by the Shareholders' Meeting".

Therefore, you are kindly requested to make your decision on this matter.

19 March 2010

For the Management Board
The Chairman - Enrico Salza

Report of the Management Board
Item 3 on the agenda

Appointment of Supervisory Board members for financial years 2010/2011/2012 (on the basis of lists of candidates submitted by Shareholders, pursuant to Art. 23 of the Articles of Association)

Distinguished Shareholders,

The Shareholders’ Meeting convened today marks the end of the term of office of the Supervisory Board appointed by the Ordinary Shareholders’ Meeting on 1 December 2006 for the financial years 2007/2008/2009; it is therefore necessary to appoint the members of the Supervisory Board for the financial years 2010/2011/2012.

On this point, please note that, pursuant to Art. 23 of the Articles of Association, Supervisory Board members shall be elected on the basis of lists submitted by Shareholders.

We should also like to remind you that the members of the Supervisory Board must meet the professional, integrity and independence requirements provided for by the applicable laws and regulations.
Furthermore, at least four Supervisory Board members must be enrolled with the Register of auditors held by the Ministry of Justice and must have practiced as auditors for at least a three-year period and at least ten members must meet the independence requirements provided for by the Corporate Governance Code promoted by the Italian Stock Exchange. The requirement of enrolment with the Register of auditors and the independence requirements according to the Corporate Governance Code may be met by the same person.

In detail, under the terms of the Articles of Association, appointment of the new Supervisory Board shall be effected as follows:

- members shall be selected proportionally from the lists which have obtained votes; for this purpose, the votes obtained by each list shall be divided by one, two, three, four and so on in accordance with the number of members to be appointed. The resulting ratios shall be progressively attributed to the candidates of each list according to the order of each list. The ratios so attributed shall be listed in decreasing order: the candidates with the highest ratios will be elected members of the Supervisory Board;

- should more than one candidate obtain the same ratio, the preferred candidate will be the candidate belonging to the list from which no Supervisory Board members, or the lowest number of Supervisory Board members were appointed.
  If no Supervisory Board member has been appointed from those lists, or the same number of Supervisory Board members has been appointed from those lists, the preferred candidate will be drawn from the list that obtained the highest number of votes. In case of equality of votes and ratio, the appointment shall take place by means of a ballot by the whole Shareholders' Meeting, and the candidate shall be appointed by a simple majority of votes cast;

- if at the end of the voting, an insufficient number of Supervisory Board members meeting the requirement of independence provided for by the Corporate Governance Code and/or the requirement of enrolment with the Register of auditors and of having practiced as auditors for not less than three years have been appointed, the candidate with the lowest ratio and not possessing any of the two above-mentioned requirements will be excluded. The excluded candidate will be substituted by the subsequent candidate of the same list who meets such requirements. This procedure, if necessary, will be repeated until the number of Supervisory Board members to be appointed is completed. If, through the adoption of the aforementioned criterion, it is not possible to complete the number of Supervisory Board members to be appointed, the Shareholders' Meeting shall appoint the other Supervisory Board members with resolution adopted by a simple majority of votes cast on proposal submitted by the shareholders attending the meeting.

The application of the above provisions of the Articles of Association must in any case make it possible for at least one Supervisory Board Member to be elected by minority shareholders who are not connected, even indirectly, with Shareholders who have presented or voted for the list which resulted first in term of number of votes.
For this purpose, where necessary, the elected candidate with the lowest ratio shall be substituted by the candidate with the immediately lower quotient presented by a list with the characteristics indicated above.
In case of presentation of one list only, all members of the Supervisory Board shall be appointed from such list.

Should no list be submitted in a timely manner, the Meeting shall pass a resolution with the majority of votes of Shareholders attending the Meeting. In case of equality of votes, candidates shall be appointed by means of a further ballot.

Therefore, you are kindly requested to appoint the Supervisory Board following the procedure laid down in the Articles of Association.

19 March 2010

For the Management Board
The Chairman - Enrico Salza

Report of the Management Board
Item 4 on the agenda

Election of the Chairman and Deputy Chairmen of the Supervisory Board for financial years 2010/2011/2012 (pursuant to Art. 23.8 of the Articles of Association)

Distinguished Shareholders,

The Shareholders' Meeting is called upon to elect the Chairman and Deputy Chairmen of the Supervisory Board for financial years 2010/2011/2012, to be selected from among the members of the Supervisory Board appointed by the Shareholders' Meeting as per the preceding item on the agenda.

On this point, please note that pursuant to Article 23.8 of the Articles of Association, "The Chairman and the two Deputy Chairmen shall be appointed by the Ordinary Shareholders' Meeting with special resolutions approved by the majority of attending shareholders".

We should also like to draw your attention to Art. 35.3 of the Articles of Association, which provides that the Chairman of the Supervisory Board – in addition to fulfilling the professional, integrity and independence requirements laid down in applicable laws and regulations for Board members – must also meet the professional requirements set forth for the Chairman of the Board of Directors of banks by the Regulation adopted by Ministerial Decree 161 of 18 March 1998.

Therefore, you are kindly requested to make your decision on this matter.

19 March 2010

For the Management Board
The Chairman - Enrico Salza

Report of the Management Board
Item 5 on the agenda

Determination of remuneration due to Supervisory Board members (pursuant to Art. 23.13 of the Articles of Association)

Distinguished Shareholders,

Subsequent to the appointment of the Supervisory Board as per item 3 on the agenda, it is necessary to establish the remuneration payable to Supervisory Board members.

On this point, please note that pursuant to art. 23.13 of the Articles of Association, "Members of the Supervisory Board are entitled, in addition to the reimbursement of expenses sustained due to their office, to a remuneration for the services rendered, which is determined for the entire period of their office by the Shareholders' Meeting at the time of their appointment, taking also into account the remunerations due to Board members appointed to special offices".

With regard to the above, we kindly invite you to make precise decision on the amount of remuneration payable – on the basis of the experience gained and the duties assigned during the first term of office of the Board – for the office of Member of the Supervisory Board as well as for the offices of Chairman, Deputy Chairman, Secretary, Committee Chairman and Committee Member.

Lastly, please note that the Bank of Italy – in its "Supervisory Provisions concerning banks' organisation and corporate governance", issued on 4 March 2008 – states that the members of bodies charged with control functions should be excluded from equity-based compensation and bonuses linked to corporate performance.

Therefore, you are kindly requested to make your decision on this matter.

19 March 2010

For the Management Board
The Chairman - Enrico Salza

Report of the Supervisory Board
Item 6 on the agenda

Remuneration policy for Management Board Members

Distinguished Shareholders,

pursuant to art. 7.3 of the Articles of Association, this Ordinary Meeting has been convened to discuss and resolve, *inter alia,* the remuneration policy for the Management Board Members who will be appointed by the Supervisory Board, for the second term of office of the management body.

After approval of the remuneration policy and based on it, the Supervisory Board will establish the amount of the remuneration payable to the Management Board Members – also with reference to the tasks that will be entrusted to them – having regard to long-term strategies with a view to the sustainable development of the Bank and the Group, prudent risk management and accountability towards all stakeholders.

The proposal has been prepared in conformity with the provisions issued on this subject by the Bank of Italy and taking into account the guidelines issued by international bodies.

The remuneration policies submitted for your approval – drawn up on a proposal of the Remuneration Committee with the support of a leading international consultancy firm – are structured as follows.

Rationale and purpose of the Bank's remuneration policy for Management Board Members

The proposed remuneration policy aims at:
- strengthening the Bank's and Group's competitiveness in the domestic and international context in which they operate;
- attracting qualified resources, having the appropriate professional skills and qualities necessary to successfully manage the Bank and steer and coordinate the Group;
- aligning the interests of Management Board Members with pursuit of medium-/long-term value creation for the shareholders;
- promoting the long-term sustainability of remuneration policies, balancing them with a full awareness of risks taken and of risk control measures, consistently with medium-/long-term objectives.

Criteria followed to define remuneration policy, with special regard to balancing the fixed and variable component and to linking remuneration with the level of risk taken and with the effectiveness and stability of results

Please note that the Shareholders' Meeting of 30 April 2009 amended the Articles of Association, endorsing the criteria jointly proposed by the Management Board and the Supervisory Board, implementing the Bank of Italy provisions concerning Banks' organisation and corporate governance issued on 4 March 2008.
Accordingly, the new Management Board will mainly consist of Executive Directors, i.e. – in addition to the Managing Director – the Directors, indicated by the Supervisory Board pursuant to Article 25.1.1 of the Articles of Association, who shall perform corporate management tasks by participating in specialised Commissions.

These Commissions will have preparatory and advisory duties, providing ongoing and active support to the Management Board's activities, thereby ensuring that its decision-making process is based on an appropriate and constructive exchange of opinions. The Commissions will be responsible for continuous monitoring of specific relevant matters, also through constant presence of their members in the Company, carrying out tasks supporting Board activities and performing all necessary inquiries, also for reporting purposes, with the Managing Director, the management committees and corporate structures.

The Commissions will normally comprise three Directors, all possessing specific skills and experience and able to perform the functions with adequate time availability. In particular, Commission members will have specific expertise in the credit, financial, securities or insurance fields, acquired by occupying positions with a suitable level of responsibility.

In accordance with the abovementioned Bank of Italy provisions, the Management Board will also include non-executive members – at least one of whom shall be independent pursuant to art. 148 of Legislative Decree 58/1998 and art. 13.2 of the Articles of Association – with supervisory tasks, to be exercised continuously, on corporate management and organisation, without however taking an active part in executive management of the company.

In the light of the above, the remuneration policy proposal is based on assessment of individual positions (Director without executive tasks; Director holding particular offices; Executive Director; Managing Director); therefore remuneration levels are based on careful assessment of the following elements:
- the responsibilities associated with the position under the law and the Articles of Association;
- the peculiar aspects and complexity of the duties of the position;
- the expected long-term contribution to increasing the sustainability of the Bank's performance, not only in economic terms, and to value creation for shareholders and stakeholders.

In line with the above criteria and with the reference regulatory framework, the remuneration policy for the Management Board will include a fixed part for each Board member, the amount of which will match the importance of the position and the time required for correct performance of the tasks assigned, and a variable part reserved for executive members.

The fixed components will be determined by the Supervisory Board, in line with the remuneration policy already adopted by the Bank during the Management Board's first term. Therefore:
- all Management Board members, being members of the Bank's management body shall receive a fixed annual remuneration for each year of their term of office;
- Management Board members holding particular offices (Chairman, Deputy Chairman, Managing Director, Commission member) shall receive an additional remuneration consisting of a fixed annual amount for each year of their term of office. In the event of several offices, only the highest fixed component is assigned.

The incentive system, on the other hand, shall apply to the Managing Director and Executive Board Member.

The Managing Director will receive an annual variable component linked to the target budget and a further variable component linked to the new Business Plan. On this last point, please see the report to the Shareholders' Meeting on the "Long-Term Incentive Plan based on financial instruments" (item 7 on the Agenda).

The variable components for the second position shall involve recognition of variable remuneration within a predetermined range, equal to a percentage of the fixed component with a maximum of 20%. This component shall be linked to the objectives set out in the new Business Plan and to parameters to be identified by the Supervisory Board.

In determining the variable components, the Supervisory Board shall ensure that they:
- are linked to measurable multi-year performance criteria that fully reflect the Bank's long-term profitability and can be adjusted to take into account all current and prospective risks and the cost of capital and liquidity needed to carry out planned activities;
- are aligned with actual performance and therefore may be significantly reduced or forfeited if performance falls below target or is negative;
- take into account the results achieved by the Bank and the Group.

Identification of the parameters and their relative values for awarding variable components shall be carried out by the Supervisory Board which – in line with the remuneration policy adopted for the outgoing

Management Board – shall take into consideration predetermined and objectively measurable quantitative and qualitative indicators ensuring there is a link between the level of risk taken and the achievement of stable and effective results. To this end - merely by way of example – capital soundness, liquidity, management of risk, operating efficiency and profitability may be taken into consideration.

Potential amendments to approved policies and their impact.

The principles of the remuneration policy proposed herein are unchanged from the prior policy adopted for the outgoing Management Board with respect to the fixed component.

As to the variable component, under the previous policy – described in the Corporate Governance Report and Information on Ownership Structures for 2009 and reported by the Chairman of the Supervisory Board to the Shareholders' Meeting of 30 April 2009 – the Management Board Members appointed for the period 2007-2009 would receive a predetermined amount, which would be awarded at the end of their term of office subject to achievement of certain medium-term targets related to the three-year Business Plan.

Application of the criteria and parameters identified by the Supervisory Board – consistent with the Supervisory Authority's prudential guidelines on the need to balance the fixed and variable components and link the variable component to risks taken and to the effectiveness and stability of results – led to cancellation of the variable component linked to the previous Business Plan, in the light of the profound changes in the economic and financial environment and of their impact on the income performance and balance sheet situation of Intesa Sanpaolo.

In response to the changed environment, the Supervisory Board also adopted decisions concerning the measurement and value of the parameters for awarding the variable component of the Managing Director's remuneration linked to annual budget targets, cutting said variable component by 50% with regard to 2008.

In the light of the above information, you are kindly requested to make your decisions; on its part, the Supervisory Board will provide detailed information on the implementation of the Management Board's remuneration policy as adopted by the Shareholders' Meeting.

12 April 2010

For the Supervisory Board
The Chairman – Giovanni Bazoli

Report of the Management Board
Item 7 on the agenda

Share-based Long-Term Incentive Plan

Distinguished Shareholders,

You have been convened in this Ordinary Meeting to discuss and pass resolutions on a Share-based Long-term Incentive Plan (hereinafter, also "LTI Plan"), intended for a part of the Management staff of the Intesa Sanpaolo Group and designed to facilitate achievement of the multi-year targets that will be set out in the new Business Plan.

Please note that the proposed Incentive Plan involves payment to beneficiaries of a deferred variable compensation, whose amount shall be determined on the basis of the performance of Intesa Sanpaolo ordinary shares and therefore belongs to the category of financial instrument-based compensation plan pursuant to Article 114-bis, paragraph 1 of Legislative Decree 58 of 24 February 1998, as clarified by Consob.

Intesa Sanpaolo's whole remuneration policy, which this Plan is a part of, rests on the principle of recognising performance and pursuing sustainability, so as to ensure that remuneration goes hand in hand with effective and stable results and with the level of capital base. As to the variable component, this policy also provides for the adoption of specific mechanisms and incentive systems linked to the achievement both of annual budget targets and, on a multi-year horizon, sound and prudent management, as well as to the strengthening of the capital base.

Intesa Sanpaolo remuneration and incentive policies were approved by the Supervisory Board based on a proposal of the Management Board on 23 June 2009 and were confirmed on 15 December 2009 – reserving the right to make some addition to them, such as the one proposed herein – in the light of the Implementation Standards of the Principles for Sound Compensation Practices recommended by the Financial Stability Board and adopted by the Bank of Italy. Such Standards include, inter alia:

- identification of the individuals to whom more stringent standards should apply, which, in accordance with the guidelines of the Supervisory Authority, are identified as the Chief Executive Officer, the General Managers and the heads of the main corporate functions whose choices have a direct bearing on the bank's risk profile;
- the forms to be used for the variable component of compensation: a significant share of the variable compensation will be deferred for a suitable amount of time, and at least 50% of the total variable component (long- and short-term) will be paid by means of shares, instruments linked to shares or at all events not exclusively in cash.

The previous Long-term Incentive Plan, which supported the 2007-2009 Business Plan, provided for a one-off payment of compensation, to be made by the first half of 2010 to eligible staff subject to their being still in service at the end of the three-year period and having achieved certain minimum performance objectives; the plan did not provide for recourse to compensation in the form of financial instruments (such as stock options, performance shares, etc.)[1]. As already reported to the shareholders in the meeting held on 30 April 2009, the substantial changes in the economic and financial environment and its impact on the Group's income performance and balance sheet position – albeit less extensive and severe than for most of our national and European competitors – prevented achievement of the above mentioned minimum levels, thus causing the forfeiting of the previous Plan.

[1] On this point, please note that a stock option plan launched on 14 November 2005 by the former SANPAOLO IMI is still in force. The plan was in favour of 48 executives who held key positions in the Group with a strong influence on the strategic decisions aimed at achieving Business Plan objectives and increasing the Group's value. This plan provides for the assignment, redefined after the merger following the resolution of the Shareholders' Meeting of 1 December 2006, of a total of 30,059,750 options, exercisable after approval by the Management Board of the 2008 financial statements and not later than 30 April 2012 at a strike price of 3.9511 euro.

The new mechanism we are now submitting for your approval strengthens the connection between compensation of the Group's management and the delivery of sustainable performance and other indicators over time, and implements the recommendations and guidelines issued on this subject by international bodies and the Bank of Italy.

In accordance with the provisions of Article 84-bis of the Issuers' Regulation by Consob, the characteristics of the Incentive Plan – based on the information available at the time of approval of the proposal – are illustrated in detail in a specific Information Document provided hereunder, which is an integral part of this Report.

In this regard, the new LTI Plan is to be considered as being of "particular importance" since it addresses, inter alia, top and senior executives who have regular access to privileged information and have the power to make management decisions which may affect the Group's evolution and outlook.

In the light of the fact that the LTI plan does not provide for the award of securities, but only the payment of monetary compensation linked to the performance of listed shares, the Information Document does not contain information strictly pertaining to mechanisms involving the award of shares and/or options.

12 April 2010

For the Management Board
The Chairman - Enrico Salza

INFORMATION DOCUMENT

Pursuant to Article 84-bis, paragraph 1, of the Regulation adopted by Consob by Resolution 11971 of 14 May 1999, as subsequently amended and supplemented

relating to the

LONG-TERM INCENTIVE PLAN
BASED ON FINANCIAL INSTRUMENTS

by

INTESA SANPAOLO S.p.A.

April 2010

INTRODUCTION

This Information Document is published in order to provide the Company's shareholders and the market with information on the Long-term Incentive Plan based on financial instruments (hereinafter the "Plan" or the "LTI Plan"), in accordance with the contents of Article 84-bis, paragraph 1 of the Issuers' Regulation.

Attached to the Information Document is the information referred to in table 1 attached to model 7 of Annex 3A to the Issuers' Regulation relating to the outstanding remuneration schemes based on financial instruments.

The Information Document is available to the public at the registered office of INTESA SANPAOLO, in Torino, piazza San Carlo, 156, and on its website www.intesasanpaolo.com. The Information Document has also been sent to Borsa Italiana S.p.A. with copy to Consob. Publication of the Document has been announced to the market through a press release.

The Ordinary Shareholders' Meeting called upon to approve the Plan has been convened for 28 April 2010 (first call) and, if necessary, 30 April 2010 (second call).

RECIPIENTS

The LTI Plan is addressed to the Chief Executive Officer, the General Managers, Key Managers[2] and, more in general, the Top and Senior Management of Intesa Sanpaolo and its subsidiaries, including the International Subsidiary Banks, coming to an approximate total of about 180-200 individuals at present.

No name list of the intended recipients is available at the time this proposal is submitted for approval, since they are to be identified by subsequent decisions of the Supervisory Board and the Management Board, each within the scope of its remit.

However, recipients include managers who have regular access to privileged information and have the power to make management decisions which may affect the Group's evolution and outlook.

The Plan is also for the benefit of the Manager responsible for preparing the Company's financial reports (Law 262/2005) and managers of the internal control functions, whose performance is measured by specific indicators, in compliance with the provisions issued by the Bank of Italy.

These officers play a key role in corporate processes, especially in the light of the lessons learnt from the recent financial crisis, since they are responsible for the correct presentation of income statement and balance sheet results and for guaranteeing efficient measurement and control of the Group's exposure to different types of risk (market, credit, interest, liquidity, operational and country risk), including the risk of non-compliance.

Therefore, we deem it appropriate for the Manager responsible for preparing the Company's financial reports and the managers of the internal control functions, as part of the Group's management component, to be able to participate in and benefit from the same incentive scheme. This will be done ensuring that the value of the relevant bonuses is, as required by regulators, strictly dependent on the quality of performance of the above mentioned duties, also taking into account the Group's economic results.

For completeness, please note that the Company has set up a long-term incentive system covering a large portion of the Group's remaining managers. This system, while adopting the same criteria, mechanisms and parameters as the LTI Plan submitted for your approval, exclusively provides for cash bonuses not related to performance of the stock, similarly to the incentive system in force for the period 2007-2009.

PLAN RATIONALE

Long-term incentive plans are designed, in general terms, to retain managers and support their motivation to achieve the company's multi-year targets. Where they include financial instrument-based compensation, they also favour alignment of interest between management and shareholders, via the managers' direct participation in corporate risk.

Under this approach, the plans are an integral component of the Intesa Sanpaolo Group compensation system addressed at executive officers, key resources and strategic professionals, fully in line with its investment in human capital development, in the framework of a policy targeting sustainable long-term development and accountability vis-à-vis all stakeholders.

The proposed LTI Plan is therefore the most suitable instrument to incentivise its recipients to achieve specific multi-year objectives that will be identified – in the framework of the new Business Plan that will be reviewed by the Bank's new corporate bodies – via specific indicators that fully reflect the Group's long-term profitability, appropriately adjusted so as to take into account all current and prospective risks, cost of capital, liquidity and capital base level needed to carry out planned activities.

The incentive mechanism has been designed to ensure its impact on the income statement is in line with sustainability constraints, also in the light of the parameters and conditions set out hereunder. Any cash payments made to recipients will come under social security provisions and will constitute income from

[2] As at the date of approval of this report, and in line with the criteria laid down in IAS 24 the Key Managers category is considered to include the Chief Executive Officer, the General Managers, the Manager responsible for preparing the Company's financial reports, the Heads of Business Units, the Heads of governance areas, the Heads of head office departments that report directly to the CEO and to the Chairman of the Management Board, the Head of the General Secretariat of the Supervisory Board and the Head of Strategic Operations and Special Projects.

employment, pursuant to the applicable legislation in force from time to time. Lastly, we confirm that accounting and fiscal considerations have had no significant impact on definition of the LTI Plan.

APPROVAL PROCESS AND TIMEFRAME FOR AWARD OF THE INSTRUMENTS

Intesa Sanpaolo's remuneration and incentive policies were approved by the Supervisory Board based on a proposal of the Management Board on 23 June 2009 and 15 December 2009; on the last occasion, the main policy guidelines of the LTI Plan were also defined.

The structure of the scheme submitted to the Shareholders' Meeting was examined and discussed in depth by the Management Board and the Supervisory Board on 19 March 2010, and approved by the same Boards, each within the scope of its remit, on 12 April 2010. The Remuneration Committee examined its characteristics and parameters in the meetings of 16 March 2010, 23 March 2010, 29 March 2010, 31 March 2010, 7 April 2010 and 9 April 2010. The official quoted price of an ordinary share in Intesa Sanpaolo on such dates varied from a minimum of € 2.7275 (price on 9 April 2010) to a maximum of € 2.9107 (on 19 March 2010).

To this end, it is necessary to point out a potential conflict of interest by the Chief Executive Officer, being a member of the Management Board called upon to propose to the Supervisory Board and to the Shareholders' Meeting an incentive system that regards him personally. The Chief Executive Officer, being amongst the LTI Plan recipients, did not take part in the Management Board resolution regarding the proposal for the Plan. Accordingly, the Supervisory Board approved the Management Board's proposal, in compliance with the criteria set forth by the Remuneration Committee.

The financial instruments described below will be awarded to the LTI Plan's recipients after release of the new Business Plan so as to send them a single communication setting out all the components of the incentive system, including the parameters and structure and performance indicators that will be established by the Supervisory Board on a proposal by the Management Board.

Any changes in the external conditions, including further amendments to national and international legislation, as may occur in the forthcoming months on the subject of compensation will obviously be transposed without delay to the LTI Plan to the extent possible without substantially changing its purpose and structure.

All detailed information on Plan implementation, as provided for in Model 7 of Annex 3A to the Issuers' Regulation, will be promptly disclosed to the market on completion of the assignment phase.

CHARACTERISTICS OF THE FINANCIAL INSTRUMENTS TO BE AWARDED

The Plan provides for the award to the abovementioned recipients of equity-related instruments, for which disbursement in more tranches of a one-off deferred cash payment incentive is envisaged, the amount of which is related to the percent difference between the TSR (Total Shareholder Return)[3] of Intesa Sanpaolo ordinary share and that recorded by a significant sample of competitors, or by a qualified stock market index for the sector identified by the relative corporate bodies within the major European financial groups.

The theoretical amount of the incentive payable at the end of the period is linked to the level of the fixed pay component. To ensure consistency with the regulators' guidelines on the value of the deferred variable component, assuming the Plan's objectives are fully achieved and the TSR differential is equal to zero, such amount may reach a level equivalent to maximum no. 2 GAP (Gross Annual Pay) of each recipient.

Furthermore, in full harmony with the criterion of symmetry between the amount of bonuses paid and actual corporate performance, the amount of the incentive payable, without prejudice to the provisions made for the Manager responsible for preparing the Company's financial reports and the Managers of the internal control functions, will be linked to the degree of achievement of the three-year corporate targets;

[3] Total Shareholder Return is an indicator that measures the value created by a company for its shareholders, simultaneously providing a performance benchmark for a listed stock compared to other companies in the same sector. It is calculated using the following formula: (Final share price – Initial share price + Dividends paid during the period) / Initial share price.

therefore, if the targets are only partially achieved, there will be a consequent reduction in the bonus awarded, while if the targets are exceeded, the bonus will be increased accordingly.

The aforementioned amount will be increased by 40% in the event of a positive difference between the company TSR and that of competitors equal to or greater than 40 percentage points and, similarly, will decrease by 40% if the company TSR is at least 40 percentage points lower than that of competitors. Linear interpolation is used for intermediate situations.

As already said, accrual of the incentives under the LTI Plan is subject to the achievement of minimum performance targets identified following approval of the new Business Plan and verified at the end of a multi-year period.

Actual disbursement of the above amounts shall also be conditional on verification of the continuity of results during the payment period and on the recipient being an employee of a Group company at the time of such disbursement. In fact, any right to receive the incentives "promised" at the start of the LTI Plan shall be forfeited in the event of resignation or dismissal for just cause of the individuals concerned. On the other hand, accrued amounts, as the case may be proportionally with the period of actual service, might be payable in the event of termination by mutual consent or due to having reached retirement age.

In light of the criteria, parameters and characteristics of the LTI Plan, it is possible to estimate a total company cost for the three-year period from a minimum of € 0 (performance target not achieved) to a maximum of approximately € 198 million (objectives widely exceeded and TSR higher than the competitors' figure by at least 40 percentage points). Supposing performance targets are fully achieved and Company TSR has not varied, the annual cost totals about € 39 million, equal to 0.7% of the personnel's charges recorded on 2009 consolidated financial statements.

In the event of extraordinary transactions on the share capital and of other transactions involving variation of share capital composition, of the Company's shareholders' equity or of the number of underlying instruments (capital increases, grouping or subdivision of the underlying shares, mergers and spin-offs, conversions of shares into other categories, distribution of extraordinary dividends drawing on reserves, etc.), the Management Board and the Supervisory Board shall assess, each within the scope of its competences, whether it is necessary to adjust the reference value for calculation of the TSR. The above checks will be performed in accordance with the rules commonly accepted in financial market practice and, to the extent possible, implementing any instructions as may be issued by Borsa Italiana.

Assignment of financial instruments in the above terms is consistent with the requirements established by the Bank of Italy in note of 28 October 2009 on "Compensation and incentive systems" implementing the standards drawn up by the Financial Stability Board.

COMPENSATION SCHEMES BASED ON FINANCIAL INSTRUMENTS
Table 1 of model 7 of Annex 3A of the Regulation 11971/1999

Date: 19 / 03 / 2010

Name or category	Position (to be stated solely for persons individually named)	BOX 1 – Financial instruments other than options (e.g. stock grants) – Section 1 – Instruments relating to currently valid schemes approved on the basis of previous shareholders' meeting resolutions						
		Date of the shareholders' meeting	Description of the instrument	Number of instruments assigned by the competent body	Date of assignment by the competent body	Purchase price of the instruments, if applicable	Market price as at the date of assignment	End of the restriction on the sale of the instruments
Key managers[1]		03/05/2007	Intesa Sanpaolo ordinary shares	1,472	BoD/cb 14/04/2007	€ 5.607	€ 5.6011	3 years from actual assignment
Other employees Intesa Sanpaolo Group		(see note 2)	Intesa Sanpaolo ordinary shares	5,891,748	(see note 3)	€ 5.607	€ 5.6011	3 years from actual assignment

[1] Key managers are individuals who are relevant for the purposes of the regulation on internal dealing other than General Managers and the members of the Supervisory Board and Management Board.

[2] The meetings that adopted the resolutions were held on: 19/04/2007 (CR Veneto, Carive and CR Friuli VG), 20/04/2007 (Banco di Napoli), 27/04/2007 (Banca dell'Adriatico), 02/05/2007 (Carisbo), 03/05/2007 (Intesa Sanpaolo).

[3] The Boards that resolved the award were held on: 14/04/2007 (Intesa Sanpaolo), 19/04/2007 (CR Veneto, Carive and CR Friuli VG), 20/04/2007 (Banco di Napoli and Carisbo) and 27/04/2007 (Banca dell'Adriatico).

Name or category	Position (to be stated solely for persons individually named)	BOX 2 – Options (option grants) – Section 1 – Options relating to currently valid schemes approved on the basis of previous shareholders' meeting resolutions							
		Date of the shareholders' meeting	Description of the instrument	Number of financial instruments underlying the options assigned but not exercisable	Number of financial instruments underlying the options exercisable but not exercised[3]	Date of assignment by the competent body or the BoD	Strike price	Market price of the underlying financial instruments as at the assignment date	Option maturity date
Key managers[1]		30/04/2002	Options on ordinary shares in Intesa Sanpaolo		3,115,000	BoD/cb 14/11/2005	€ 3.9511	€ 3.9511[2]	30/04/2012
Other managers Intesa Sanpaolo Group		30/04/2002	Options on ordinary shares in Intesa Sanpaolo		20,559,000	BoD/cb 14/11/2005	€ 3.9511	€ 3.9511[2]	30/04/2012

[1] Key managers are individuals who are relevant for the purposes of the regulation on internal dealing other than General Managers and the members of the Supervisory Board and Management Board.

[2] Normal value of the share on the option assignment date also taking into account the share swap defined in the framework of the merger by incorporation of Sanpaolo IMI into Banca Intesa.

[3] The date of exercise of the options established by the resolution starts from the third stock exchange day following approval by the Management Board of the financial reports for the year ending 31 December 2008, with expiry on 30 April 2012, and consisting of periodic exercise periods.

PREPRESS AND PRINTING: AGEMA CORPORATION – ITALIA

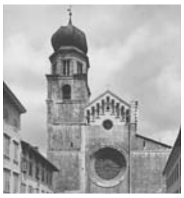
PRINTED ON FSC ECOLOGICAL PAPER WITH ECO-COMPATIBLE VEGETABLE INKS BY GRAFICHE AGEMA S.P.A. ITALIA – CERTIFIED COMPANY FOR ECO-SUSTAINABLE DEVELOPMENT.

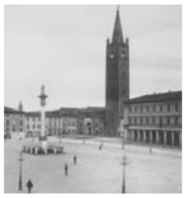
Intesa Sanpaolo is the most widespread bank in Italy. Its leadership stems not only from its size but also thanks to its ability to interpret and respond to the needs of the areas in which it is present.
This commitment can be seen in the choice of maintaining and enhancing all the banks in the group, since it is they that allow Intesa Sanpaolo to present itself to the market as a fully-fledged citizen of every place in which it operates. This is the reason the illustrations chosen for this report have been inspired by the rich cultural heritage of Italian cities. They show the steeples of greatest importance to the cities where our registered offices are located and which appear in the names of our local Banche dei Territori. It is a tribute to Italian tradition and history. But it is also emblematic of the willingness to communicate and establish relationships that distinguishes the people at Intesa Sanpaolo and the banks in the Group.

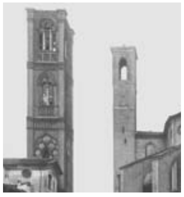

1. Milano
Steeple, Basilica of Sant'Ambrogio


2. Torino
Steeple, San Carlo Church


3. Napoli
Steeple, Santa Chiara Monastery


4. Trento
Steeple, Duomo of Trento


5. Forlì
Steeple, Piazza Vittorio Emanuele


6. Bologna
Steeple, San Francesco Church


7. Venezia
Steeple, Piazza San Marco


8. Padova
Steeple, Basilica of Sant'Antonio


9. Narni
Steeple of San Giovenale

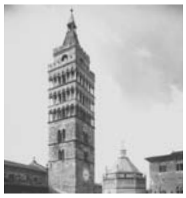

10. Rieti
Steeple, Duomo dell'Assunta

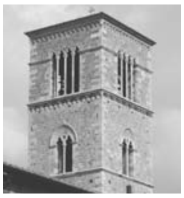

11. Spoleto
Steeple, Palazzo Montevecchio

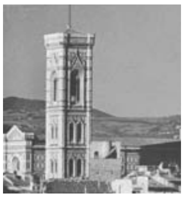

12. Bolzano
Steeple, San Giovanni in Villa Church


13. Civitavecchia
Steeple, Chiesa dell'Orazione e Morte


14. Foligno
Steeple, Cathedral

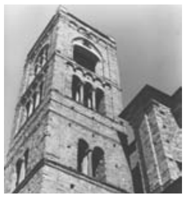

15. Pistoia
Steeple, Piazza del Duomo


16. Terni
Steeple, San Francesco Church


17. Firenze
Giotto's Bell Tower, Piazza del Duomo

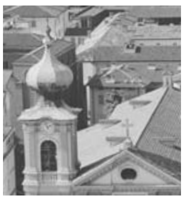

18. Ascoli Piceno
Steeple, Santi Vincenzo e Anastasio Church


19. Viterbo
Steeple, Ex Chiesa degli Almadiani

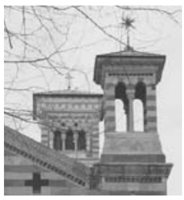

20. Pescia
Steeple, Santa Maria Assunta Cathedral


21. Città di Castello
Steeple, Duomo


22. Pesaro
Steeple, San Giacomo Church


23. Gorizia
Steeple, Sant'Ignazio Church


24. Cagliari
Steeple, Sant'Anna Church


25. La Spezia
Steeple, Chiesa di Nostra Signora della Neve

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1-7-8-17 Raccolte Museali Fratelli Alinari (RMFA), Firenze
2-4-5-6-10-18 Archivi Alinari - Alinari Archive, Firenze
3-11-14 Archivi Alinari - Anderson archive, Firenze
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13 Photo by Fotoarte Mazzoldi Gabriella, Civitavecchia
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